

## Personal and Property Taxes and Charges

These costs are payable in any case and are independent of the tax system according to which you are subject as a new owner of a Spanish property. Being a new owner you should bear in mind that different periodic costs exist which relate to your recently acquired property such as:

### Real Taxes:

- Impuesto sobre bienes inmuebles: IBI tax or Annual Rates depending on the catastral value (official value of the property) fixed to the property and it is payable yearly to the Town Hall.
- Basura (Rubbish): A local tax related to rubbish collection to be paid to the Town Hall.
- Impuesto sobre el patrimonio (Wealth Tax): This tax is no longer applicable in Spain.

### Personal Taxes:

Impuesto sobre la Renta de las Personas Físicas (Non Resident Tax): Non-residents are also liable for imputed income tax on their property in Spain. This tax is calculated on the basis of 2 % of the “valor catastral” (rateable value) of the property. The tax rate is 25 % of the taxable base.

Income Tax is payable in arrears, for example the tax due from the tax year 2014 is paid in 2015, before the 31<sup>st</sup> December.

Impuesto sobre Incremento de Patrimonio (Capital Gains Tax): Non-residents pay capital gains tax of 18% on profits arising from the sale of their Spanish assets. The tax is based on the difference in the value of the property when it was purchased and the value at its sale. As a general rule, the authorities require that buyers from non-resident sellers deposit 3 % of the purchase price with the Spanish Tax Authorities.

A person is resident for tax purposes in Spain if he is physically present in Spain for more than 183 days in any calendar year

**We advise property owners appoint a Fiscal Representative who will undertake on behalf of the tax payer all dealings with the Spanish Tax Authorities.**